



# Senator Vic Heinold

Senate District 5 • Serving Jasper, LaPorte, Marshall, Porter,  
Pulaski, St. Joseph and Starke Counties

## Alternative Energy Sources

With many of the nation's oil refining operations cut off following Hurricane Katrina in August, fuel prices around the country skyrocketed. According to the Indiana Attorney General's office, although the price of gasoline per gallon increased drastically after the hurricane, demand for fuel did not decrease; however, the supply was reduced by 25 percent. President Bush responded to the fuel shortage by opening the nation's 700 million barrel oil reserve, releasing about one million barrels of oil to U.S. refineries.

Although gas prices have since begun to decline, even amidst a slight increase following Hurricane Rita, there are alternative forms of energy that can be utilized. Soy biodiesel burns much cleaner than traditional petroleum-based diesel fuel. E-85, which is 85 percent ethanol and 10 percent gasoline, burns cleaner than oil-based fuels, thus reducing harmful ozone by 20 percent and greenhouse gas emissions by 30 percent. Because Indiana is one of the nation's leaders in soybean and corn production, using soybean-based biodiesel and bioethanol can make Indiana one of the top promoters of biofuels in the nation.

The Indiana General Assembly also has taken steps to promote the use of alternative fuel sources. House Enrolled Act 1032, authored by Representative Steve Heim (R-Culver), which I sponsored in the Senate, mandates the use of biofuels when available in state vehicles. In fact, Governor Mitch Daniels' RV1 is operated on soy biodiesel and Lieutenant Governor Becky Skillman operates an E85 Tahoe that runs on ethanol.

Senate Enrolled Act 378, which I co-authored last session, has become a motivating force in bringing alternative biofuel corporations to Indiana. The act provides that the Indiana Economic Development Corporation review and approve applications for biofuel income tax credits. As a result of this act, in September, Iroquois Bio-Energy Company, LLC broke ground on the construction of a bioethanol plant in Rensselaer. Following completion in late 2006, the plant is predicted to process nearly 95,000 gallons of ethanol per day. Integrity Biofuels and Putnam Ethanol LLC also have begun work to build alternative biofuel plants in Morristown and Cloverdale, respectively. Each of these companies promises to bring future employment to the Indiana job market in the coming years.

While the U.S. tries to avoid another energy crisis that could mirror that of the early 1980s, there is hope for a cleaner and more energy efficient future. Indiana legislators have laid the groundwork for the production of alternatives to gasoline. Biofuels offer a cleaner and more affordable future for motorists, and the addition of Iroquois Bio-Energy, Integrity Biofuels, and Putnam Ethanol to the Indiana business community should be economically beneficial to the state.

I am proud to represent the 5th district in the Indiana Senate, and encourage you to contact me with any questions or concerns. If you would like to receive my newsletter online, please send an email to [s5@in.gov](mailto:s5@in.gov).